

**Addendum to the East Michigan Council of Governments (EMCOG)  
EDA CARES ACT RECOVERY ASSISTANCE Revolving Loan Fund Plan (“EMCOG RLF  
Plan”)  
EDA Project No. 06-79-06226  
dated November 6, 2020**

EDA has provided certain flexibilities to recipients of EDA-funded RLF awards in light of the impact of COVID-19 on small businesses, the increasing demand for RLF loans, and the need for RLFs to provide credit quickly and efficiently to their communities.

These flexibilities include waiving for the Disbursement Phase\* or to the Award End Date of the RLF, whichever occurs soonest, the following regulations that:

- Establish a minimum interest rate for RLF loans (13 CFR 307.15(b)(1))
- Require RLF loans to leverage additional capital (13 CFR 307.15(c))
- Require evidence demonstrating credit is not otherwise available (13 CFR 307.11(a)(1)(ii)(H))

***\*The Disbursement Phase of this Award is the period of lending activity during which award funds have not been fully disbursed to the EDA Recipient. During the Revolving Phase when RLF funds are re-lent to new borrowers the three above-listed regulations will apply to the RLF.***

At the discretion and approval of the East Michigan Council of Governments Revolving Loan Committee (EMCOG RLF Loan Committee) the following flexibilities may be implemented through the Disbursement Phase or to the Award End Date of the RLF, whichever occurs soonest:

- The minimum interest rate as specified in EDA Interest Rate Regulation, pages 12-13 of the Plan may be waived, and the interest rate may be set at the discretion of the EMCOG RLF Loan Committee.
- The requirement to leverage capital as specified in Ratio of Funding, pages 7-8 of the Plan may be waived or reduced;
- The requirement to demonstrate that credit is not otherwise available as specified in Loan Selection Process, page no. 10 may be waived.

**At the discretion and approval of the EMCOG RLF Loan Committee the following temporary flexibilities may be implemented:**

- The EMCOG Loan Officer in concert with the RLF Attorney may recommend to the EMCOG RLF Loan Committee deferrals of interest payments for a period of six months but not more than a year at which time the terms and conditions will be reviewed. The borrower will enter into a forbearance agreement. See page 11 of the RLF Plan.
- At no time may principal or interest be forgiven.

**Other examples of lending policies and procedures that you may propose to temporarily modify in your organization’s NEW RLF plan:**

- Simplified underwriting and loan approval procedures
- Reduced or eliminated loan application fees
- Reduced or eliminated borrower equity and collateral requirements
- Changed maximum or minimum loan amounts

Approved by EMCOG Full Council as part of EMCOG 2020 RLF CARES Plan (EMCOG RLF Plan) adoption on November 6, 2020.